Loan under JRY

4627. SHRI GHULAM NABI AZAD: Will the Minister of FINANCE be pleased to state:

(a) the loans provided by various banks under Jawahar Rozgar Yojana during the last three years, State-wise;

(b) whether some banks have taken negative attitude to provide loan under JRY; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Jawahar Rozgar Yojana is a centrally sponsored Scheme in which no bank credit is involved;

(b) and (c) Do not arise.

Lending and deposit rates for banks

4628. SHRI C.M. IBRAHIM: Will the Minister of FINANCE be pleased to state:

(a) whether with a view to further reducing the interest rates and boosting investment, the Reserve Bank of India has lately further reduced the CRR by 1% each;

(b) if so, the economic circumstances and market scenario leading to these steps;

(c) if so, what is the revised lending and deposit rates for banks;

(d) how for the small savings are expected to runaway from banks as a result of this further reduction in bank rates; and

(e) what steps are being taken to make the banks friendly to common man's savings and deposits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Reserve Bank of India announced on April 1, 2000 a reduction in Cash Reserve Ratio (CRR) by 1 percentage point from 9 per cent to 8 per cent in two stages by 0.5 percentage point each effective from the fortnights beginning April 8 and April 22, 2000.

(b) The measure was taken by RBI on a review of liquidity and market conditions and it is expected to enhance liquidity in the system.

(c) Reacting to the monetary easing measures announced by RBI in April 1, 2000 major public sector banks reduced their Prime Lending Rate (PLR) by 0.75—1.0 percentage point. As at the end of April 2000, the PLRs of public sector banks were in the range of 11.25 per cent to 13.5 per cent and of all scheduled commercial banks in the range of 9.75—17.5 per cent as against 10.5—18.5 per cent in April 1999.

In deposit rates also there has been a general reduction in most of the scheduled commercial banks across all maturities by 50 to 200 basis points. As at the end of April 2000, the deposit rates of scheduled commercial banks (public sector banks) ranged between 4.0 and 9.0 per cent for maturity period up to 1 year and 8.0 and 11.0 per cent for maturity periods above one year.

(d) A reduction in interest rates of bank deposits is unlikely to affect flow of savings to banks.

(e) The banks now have greater freedom in deciding deposit and lending rates and fixing service charges based on their commercial considerations. The RBI and the Government of India have been constantly emphasizing to banks to offer better customer service so that there is a higher level of customer satisfaction.

Setting up of bank branches in tribal areas

4629. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have issued any directives to the nationalized banks with regard to providing loans to the SCs/STs in the country; and

(b) if so, the names of nationalized banks which have set up their branches in the tribal areas in the country, State-wise and are providing loans to the SCs/STs in the various districts of States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir. Government have prescribed targets for lending to Scheduled Castes and Scheduled Tribes under various Government sponsored schemes.

(b) All nationalized banks have their branches in rural areas